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Mr. Houston

Mr. Goodwin

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Item 10 - OS

MORI/CDF

Legislative Counsel

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27 October 196

MEMORANDUM FOR THE RECORD

SUBJECT:

DCI Response to Chairman, House Committee on Armed Services

REFERENCE: H.R. 14318 and H.R. 14323

- 1. Chairman Rivers requested CIA views and recommendations on the referenced bills in a letter to the Director dated 15 October 1969. Both bills were introduced 13 October 1969 and referred to the Committee on Armed Services.
 - 2. II.R. 14318 would create an Office of Defense Review to insure that provisions for defense and national security be subject to continuous congressional review. Under Section 3 the Office would: determine whether projected weapons systems and military installations accord with national defense policy; determine whether the actual performance of procured systems and installations is in accordance with originally declared objectives and policy; prepare for Congress a defense budget independent of that prepared by the executive branch; prepare optional defense budgets; report to the Armed Services Committees of Senate and House, "to other appropriate congressional committees," and to a Joint Board of Defense Review (3S enators 3 Representatives); provide information to individual members of Congress, on request, concerning matters of defense and national security; and recommend improvements in the operating efficiency of executive departments in the area of defense and national security.

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- 3. Section 4 of H.R. 14318 directs the head of any department or agency to furnish to the Office Director any report submitted to the Comptroller General of the U.S. if the Director deems it of consequence in the area of defense and national security. Section 4 also authorizes to Office inter alia, to establish security requirements, "exercising due care to protect classified information, sensitive intelligence sources and methods, and, in this regard, (to) seek the advice of the Director of Central Intelligence."
- 4. H.R. 14323 would establish a Temporary National Security
 Commission (5 Senators, 5 Representatives, 6 individuals from private
 life, and I representative of the General Accounting office) to study the
 national defense sector, "including, but not limited to, the operation of all
 agencies established in the National Security Act of 1947" (Sec. 3). The
 Commission would determine inter alia: what are the national policies and
 objectives in the areas of defense and security; whether the national interest
 is being properly served by existing agencies, and whether existing and
 projected weapons systems, military installations, management procedures,
 and fiscal performance of such agencies conform to national policy. The
 Commission would cease to exist on 31 December 1972.

- 5. Section 6(e) of H.R. 14323 provides that the Commission may secure directly from any department or agency information necessary to enable it to carry out this Act. The Commission "shall exercise due care to protect classified information, sensitive intelligence sources and methods, and, in this regard shall seek the advice of the Director of Central Intelligence."
- 6. Section 8 of H.R. 14323 directs the Commission to transmit reports to the President and Congress, and to withhold from reports made available to the public or transmitted to Congress material judged detrimental to national security.

ANALYSIS

7.	The	writer	sees	several	potential	problems	in H.R.	14318.	•

b. In determining whether weapons systems and military installations accord with national defense policy, the Office of Defense Review will presumably have to make a threat evaluation of foreign powers, requiring access at least to finished intelligence.

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- c. While H.R. 14318 specifically directs that the advice of the Director of Central Intelligence shall be sought on protecting classified information and intelligence sources and methods, there is no assurance such advice will be followed. Even assuming so, one faces the inadequacy of existing legislation as a deterrent to unauthorized disclosures (see file on that subject).
- which are

 8. H.R. 14323 poses problems/an order of magnitude greater than

 H.R. 14318. Since the Commission would hold essentially plenary powerto investigate and require evidence, the danger of unauthorized disclosure
 would be commensurately greater. As in the case of H.R. 14318 the

 Commission may "arrange with the Civil Service Commission for the conduct
 of such security or other personnel investigations of the Commission's
 employees, consultants, and contractors, actual or prospective, as it deems
 appropriate." There is similar provision for consulting the Director on
 protection of classified information.

RECOMMENDATION

9. The interim reply to Chairman Rivers should be to thank him for forwarding the bills and to indicate they are under study. The interim

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action should be to ascertain discreetly whether the bills have a chance of getting out of committee. If so, a reply should be drafted indicating that they are clearly a matter of congressional discretion but noting reservations on the question of security.

CONTRACTOR AND ASSESSMENT

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